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INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

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TO SECSTATE WASHDC PRIORITY 0030

INFO AMEMBASSY BELGRADE

AMEMBASSY BERN

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AMEMBASSY BRAZILIA

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1. SUMMARY: IN FAST-PACED FIRST MEETING OF MTN TARIFFS GROUP CHAIRED BY DGG PATTERSON, DELEGATIONS STATED PRELIMINARY VIEWS ON BROAD RANGE OF ISSUES RELEVANT TO TARIFF NEGOTIATIONS. ONLY CANADA SUGGESTED SPECIFIC FORMULAS FOR GENERAL TARIFF REDUCTION. GROUP REACHED TENTATIVE CONCLUSIONS ON SEVERAL MOSTLY MINOR ISSUES AND AGREED MEET AGAIN MAY 13 TO DISCUSS ELEMENTS OF A TARIFF NEGOTIATING PLAN AND IMPROVEMENT OF GENERALIZED SYSTEM OF PREFERENCES (GSP). DISCUSSIONS ON THESE TWO ITEMS COULD ALSO INCLUDE RELATIONSHIP BETWEEN TARIFF NEGOTIATIONS AND PARTICULAR NONTARIFF MEASURES. (TEXT OF CONCLUSIONS SENT SEPTEL). MOST DELEGATIONS SKIRTED AROUND THE MORE COMPLEX ISSUES. DISCUSSION WAS FREQUENTLY ARGUMENTATIVE BUT MARKED BY SPIRIT OF COOPERATION. EC WAS LARGELY ISOLATED ON ISSUE OF ROLE OF TARIFFS GROUP RE AGRICULTURAL PRODUCTS, WHICH AROSE FREQUENTLY; TENTATIVE CONCLUSIONS REINFORCED US POSITION THAT TARIFFS GROUP ENCOMPASSES ALL PRODUCTS. END SUMMARY.

2. MTN TARIFFS GROUP MET FIRST TIME MARCH 18-21 WITH TASK (SEE MTN/W/10, PARA 2) OF DRAWING UP TARIFF NEGOTIATING PLAN OF AS GENERAL APPLICATION AS POSSIBLE, TAKING ACCOUNT LDC VIEWS PARTICULARLY WITH REGARD TO GSP. ITEMS ON AGENDA (SEE GATT/AIR/1146) WERE: ELECTION OF CHAIRMEN; DISCUSSION OF ESTABLISHMENT TARIFF CUTTING FORMULA; DETERMINATION OF BASE RATES/BASE DATE FOR TARIFF CUTTING; BASE PERIOD FOR DATA COMPILATION; UNIT OF ACCOUNT; HOW TO DEAL WITH MAINTENANCE AND IMPROVEMENT OF GSP; HOW SPECIAL AND MORE FAVORABLE TREATMENT MAY BE PROVIDED LDC EXPORTS; AND DATE AND AGENDA NEXT MEETING.

3. ELECTION OF CHAIRMEN. AS STRUCTURED IN ADVANCE
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IN 7 PLUS 7 GROUP, GATTT SECRETARIAT (DDG GARDNER PATTERSON) CHOSEN AS PERMANENT CHAIRMAN OF GROUP.

4. TARIFF CUTTING FORMULA:

A. CANADA (GREY) IN LONG STATEMENT (SENT BY AIRGRAM) CITED ITS OBJECTIVES IN TARIFF NEGOTIATIONS AS IMPROVING RESOURCE ALLOCATION AND STANDARD OF LIVING

THROUGH TARIFF LIBERALIZATION, SEEKING A TARIFF FORMULA HYPOTHESIS WHICH CANADA CAN ADOPT, INCREASING CANADIAN EXPORTS OF PROCESSED GOODS, AVOIDING GREATER USE OF TARIFF SUBSTITUTES (E.G., COUNTERVAILING DUTIES), AND NARROWING TARIFF DISCRIMINATION ABROAD AND DOMESTICALLY. CITING CERTAIN FACTORS WHICH HAVE TO BE TAKEN INTO ACCOUNT: (TARIFF DISPARITIES, TARIFF ESCALATION, SPECIFIC NTB'S) CANADA SUGGESTED FOLLOWING TARIFF REDUCTION HYPOTHESIS: (1) REDUCE RATES BELOW 5 PERCENT TO ZERO AND RATES OVER 20 PERCENT TO 20 PERCENT WITHOUT CONSIDERING RECIPROCITY AND ANY EXCEPTIONS WOULD REQUIRE MULTILATERAL AGREEMENT; (2) REDUCE DUTIES BETWEEN 5 AND 20 PERCENT BY UNIFORM 50 TO 60 PERCENT OR BY WEIGHTED (UNSPECIFIED) REDUCTION OF 50 TO 60 PERCENT. AS ALTERNATIVES, ALL RATES ABOVE 5 PERCENT COULD BE CUT 50 TO 60 PERCENT OR SOME MATHEMATICAL FORMULA FOR PROGRESSIVE CUTS MIGHT BE ESTABLISHED. HYPOTHESIS SHOULD RESULT IN SUBSTANTIAL REDUCTIONS AND ESTABLISH PERCENTAGE LIMITATIONS ON EXCEPTIONS. EXCEPTIONS VIEWED AS HEART OF NEGOTIATIONS. CITED NEED FOR PROCEDURES TO PROTECT SMALLER COUNTRIES (E.G. CANADA*), WHICH SHOULD HAVE SEPARATE RULES (E.G. (1) IF LARGE COUNTRIES EXCEPT ITEMS, OTHERS SHOULD BE ALLOWED TO EXCEPT SAME ITEMS WITHOUT COUNTING AGAINST THEM; (2) NOT CUTTING TARIFFS BELOW RATES ON SAME ITEMS IN BIG THREE). SNAPBACK PROVISIONS FOR REDUCTIONS OF TEXTILE TARIFFS (I.E. TARIFFS RAISED TO PREVIOUS LEVELS IF MFA NOT RENEWED) VIEWED UNFAVORABLY SINCE WILL PROLONG MFA; PREFERENCE STATED FOR MAINTENANCE OF CURRENT TEXTILE TARIFFS AND PHASING OUT OF MFA. RATES SHOULD BE HARMONIZED IN RESOURCE INTENSIVE PRODUCTS WHEN TARIFF EXCALATION EXISTS. HYPOTHESIS SHOULD BE BASED ON MAXIMUM AUTHORITY IN US TRADE ACT. CANADA DOES NOT WANT GSP BE BARRIER TO DEEP MFN CUTS AND IS WILLING TO LIMITED OFFICIAL USE

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CONSIDER DEEPER REDUCTIONS ON ITS NON-ZERO GSP RATES.

B. EC (DUGIMONT) EMPHASIZED CONTINUING PROBLEMS OF TARIFF DISPARITIES AND DISPERSIONS. ARGUING THAT HIGH DUTIES DISTORT TRADE AND LINEAR APPROACH IS INEQUITABLE BECAUSE IT WOULD STRIP SOME COUNTRIES OF MEANINGFUL TARIFFS TO BE BARGAINED IN FUTURE NEGOTIATIONS, EC PROPOSED THAT MAIN ELEMENTS OF TARIFF NEGOTIATIONS BE HARMONIZATION OF RATES AND CONSOLIDATION OF CUSTOMS DUTIES. EC FAVORS HARMONIZATION FORMULA WHICH: (1) BASES DEPTH OF REDUCTIONS ON HEIGHT OF DUTIES; (2) LEAVES DUTIES NO HIGHER THAN 20 PERCENT; (3) EXEMPTS LOW DUTIES FROM CUTS. EC WOULD EXCLUDE AGRICULTURAL PRODUCTS FROM FORMULA CUTS ON GROUNDS MEANS OF PROTECTION IN AGRICULTURAL SECTOR VARY SO APPROACH MUST DIFFER; EC SAID

ANY DISCUSSION OF TARIFFS ON AGRICULTURAL PRODUCTS
MUST TAKE PLACE IN AGRICULTURED GROUP. EC DID NOT PROPOSE
EITHER A PARTICULAR FORM OF GENERAL APPROACH OR SUGGEST
TARGET DEPTH OF CUT, (US DEL WAS PRIVATELY
INFORMED BY RELIABLE JAPANESE SOURCE THAT EC PREFERS A
Y EQUALS X ITERATED THREE TIMES FORMULA.

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C. US (MCNAMARA), FOLLOWING GUIDELINES IN TSC 75-8, NOTED PRESIDENT FORD HAD SENT LIST CONTAINING VIRTUALLY ENTIRE TSUS TO INTERNATIONAL TRADE COMMISSION FOR ITS ADVICE AND THAT USG HAD BEGUN INTENSIVE CONSULTATION WITH US PRIVATE SECTOR. WHEN DOMESTIC PROCESSES WERE WELL ADVANCED, US WOULD BE IN POSITION JOIN WITH OTHERS IN IMPLEMENTING VERY SUBSTANTIAL NEGOTIATED TARIFF REDUCTIONS. STATED IT FAVORED LINEAR FORMULA WITH SUBSTANTIAL TARIFF REDUCTIONS AS SIMPLEST AND FAIREST APPROACH. US RECOGNIZED OTHERS MAY HAVE DIFFERENT IDEA ABOUT NATURE OF FORMULA BUT ANY FORMULA SHOULD BE SIMPLE, FLEXIBLE IN APPLICATION, RESULT IN SUBSTANTIAL ACROSS-THE-BOARD REDUCTIONS AND BE MULTILATERALLY RECIPROCAL IN FRAMEWORK OF OVERALL RECIPROCITY. US NOTED GROUPS'S TASK WAS TO DEVELOP GENERAL RULES APPLYING TO ALL PRODUCTS, BOTH INDUSTRIAL AND AGRICULTURAL, WHILE RECOGNIZING SOME PRODUCTS -- BOTH INDUSTRIAL AND AGRICULTURAL -- MAY HAVE SPECIAL CHARACTERISTICS WHICH MAY REQUIRE SPECIAL CONSIDERATION. EXCEPTIONS SHOULD BE MINIMIZED. TARIFF NEGOTIATING PLAN WOULD HAVE TO GIVE PRIORITY ATTENTION TO PRODUCTS OF INTEREST TO LDS'SM

D. SWEDEN AND NORWAY STATED NEED FOR SUBSTANTIAL REDUCTIONS THROUGH HARMONIZATION APPROACH WHICH WOULD ALLOW AGREEMENT IN LATER NEGOTIATIONS TO ELIMINATE DUTIES. THEY ASKED SECRETARIAT TO SUGGEST A FORMULA AS BASIS FOR ANALYSIS. SWITZERLAND OBJECTIVES SIMILAR, PROPOSING HARMONIZATION APPROACH WHICH SIMPLE, OF GENERAL APPLICATION, AND EQUITABLE, BUT TARIFFS ON AGRICULTURAL PRODUCTS SHOULD NOT BE CONSIDERED INDEPENDENTLY FROM OTHER PROTECTIVE MEASURES ON SUCH PRODUCTS.

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E. JAPAN (ONO) SUGGESTED AGREEMENT ON SUBSTANTIAL REDUCTION FORMULA BY JULY, FAVORED SIMPLE FORMULA OF GENERAL APPLICABILITY, COULD BE LINEAR FORMULA BUT WITHOUT OVERLOOKING HARMONIZATION. (ONO PRIVATELY DESCRIBED JAPANESE POSITION AS SLIGHTLY TILTING TOWARD LINEAR APPROACH.) FELT IT PREMATURE DISCUSS EXCEPTIONS, THOUGH THEY SHOULD BE KEPT TO MINIMUM. SAID AGRICULTURAL PRODUCTS HAVE SPECIAL CHARACTERISTICS. (I.E. WILL REQUIRE APPROACH DIFFERENT FROM INDUSTRIAL PRODUCTS).

F. AUSTRALIA CITED NEED FOR FLEXIBILITY FOR FORMULA, ALTHOUGH TARIFF REDUCTIONS SHOULD TAKE PLACE ON ALL PRODUCT GROUPS (INCLUDING AGRICULTURE). NO USE FOR SINGLE FORMULA IN AUSTRALIAN VIEW DUE TO LIMITED INDUSTRIAL EXPORTS, HIGH IMPORT/CONSUMPTION RATIO FOR MANUFACTURERS, PRESENCE OF SPECIFIC NTBS ON PARTICULAR PRODUCTS AND NEED FOR RECIPROCITY. NOTED ONLY 10 PERCENT OF ITS EXPORTS ARE MANUFACTURED GOODS. EMPHASIZED NEED CONTINUE PERIODIC "OPEN SEASON".

G. LDC'S STRESSED POTENTIAL ADVERSE IMPACT OF MFN REDUCTIONS ON GSP TARIFF MARGINS, EXPRESSED DESIRE FOR COMPENSATION FOR GSP EROSION, DEEPER-THAN-FORMULA CUTS ON NON-GSP ITEMS, ELIMINATION OF TARIFF ESCALATION, NO UNILATERAL EXCEPTIONS BY DCS ON PRODUCTS OF INTEREST TO LDC'S AND DEMANDED BINDINGS THROUGH NEW GATT PROTOCOL OF GSP RATES. MAIN SPOKEMEN OF LDC'S WERE REPRESENTATIVES OF PAKISTAN, INDIA, SPAIN, NIGERIA, MEXICO, ARGENTINA AND BRAZIL. SEVERAL SUGGESTED SECRETARIAT PREPARE ANALYSIS OF EFFECTS OF TARIFF FORMULAS ON LDCS, ESPECIALLY EROSION OF GSP BENEFITS. TURKEY, ARGENTINA, ISRAEL AND BRAZIL, AS MORE ADVANCED LDCS, STATED THEIR INABILITY TO PARTICIPATE ON BASIS OF GENERAL FORMULA BUT THEY PREPARED MAKE TARIFF REDUCTIONS ON ITEM-BY-ITEM BASIS. MOST LDC'S DID NOT TAKE POSITION ON TYPE OF FORMULA; INDICATING A DESIRE TO FOCUS ON THOSE PRODUCTS OF SPECIAL INTEREST TO THEM; SOME FAVORED A FLOOR ON CUTS TO PRESERVE GSP MARGINS, OTHERS (YUGOSLAVIA, INDIA) OPPOSED FLOOR. YUGOSLAVIA OPPOSED HARMONIZATION APPROACH.

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5. BASE RATES/BASE DATE: LENGTHY DISCUSSION TOOK PLACE ON QUESTION OF WHETHER THERE IS NEED FOR UNIFORM

RULES ON BASE RATES ON WHICH REDUCTIONS TO BE MADE AND ON UNIFORM REFERENCE DATE FOR TARIFFS. PATTERSON RECALLED KR DECISION OF NO UNIFORMITY IN BASE RATES/ BASE DATES. MAJOR ALTERNATIVES DISCUSSED: (1) APPLIED RATES FOR UNBOUND ITEMS AS OF 1 JAN 174 AND USE OF BOUND RATES FOR BOUND (EC, SUPPORTED BY US). US NOTED IT WOULD RESERVE ITS POSITION REGARDING CREDIT IT MIGHT GIVE WHEN APPLIED RATES ARE LOWER THAN BOUND RATES OR LEGAL RATES ON UNBOUND ITEMS: (2) BOUND RATES FOR BOUND ITEMS, AND "STATUTUROY" RATES FOR UNBOUND ITEMS (JAPAN, CANADA NEW ZEALND, NORDICS, AUSTRIA AND MOST LDC'S). AUSTRALIA COULD SUPPORT EC PROPOSAL BUT WITH BASE DATE OF 1 JAN 73 (BEFORE AUSTRALIAN UNILATERAL 25 PERCENT REDUCTIONS). PATTERSON NOTED THAT TARIFF RATE INFORMATION FILE WOULD BE USEFUL FOR DISCUSSION, BUT ONLY SWEDEN HAD SUBMITTED DATA; HOWEVER, HE THOUGHT THAT DECISION COULD BE MADE WITHOUT IT. US NOTED ITS DATA WOULD BE SUBMITTED IN TWO WEEKS. EC AND USS. ARGUED THAT IT WOULD BE DIFFICULT TO USE STATUTORY RATES FOR MANY ITEMS WHICH HAD LOWER RATES IN EFFECT, PARTICULARLY THOSE FOR MORE THAN SEVERAL YEARS; THESE RATES HAD BECOME ARTIFICIAL AND MEANINGLESS. IT WAS STATED, HOWEVER, THAT BOUND RATES HAD LEGAL STATUS IN GATT; BUT UNBOUND RATES DID NOT. JAPAN AND CANADA ARGUED TEMPORARY, UNILATERAL REDUCTIONS ON UNBOUND ITEMS NOT VALID BASIS FOR PERMANENT TARIFF CUTS SINCE IT WOULD PENALIZE COUNTRIES WHICH HAD TAKEN LIBERALIZING ACTION. AUSTRALIA IN STRONGLY STATED TERMS AND LENGTHY INTERVENTION ARGUED EC AND U.S. ATTEMPTING TO GAIN NEGOTIATING ADVANTAGE THROUGH PROCEDURAL, NOT SUBSTANTIVE MEANS. SWITZERLAND OFFERED COMPROMISE IN WHICH EACH PARTICIPANT SUBMIT OWN BASE DATE/RATES CHOICE WITH JUSTIFICATION OF CHOICE, WITH MULTILATERAL REVIEW. ARGENTINA (MARTINEX) PROVIDED USUAL COMIC RELIEF BY PROPOSING HIS BIRTHDATE SINCE HE PERSONALLY VERY FOND OF IT. THE GROUP AGREED THAT FOR BOUND ITMES, THE GATT BOUND RATES, INCLUDING RESULTS OF ARTS. XXIV:6 AND XXVIII NEGOTIATIONS AND ACCESSIONS SHOULD BE BASE RATES; BASE DATES IRRRELEVANT FOR BOUND RATES (I.E. HUNGARY). GROUP AGREED RETURN TO QUESTION OF LIMITED OFFICIAL USE

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UNBOUND RATES IN MAY MEETING. U.S. PROPOSED SECRETARIAT PREPARE TABULATION OF PERCENTAGE BINDINGS OF TARIFF LINES AND MFN IMPORT BE DONE FOR BTN'S 1-99 FOR TARIFF STUDY COUNTRIES TO FACILITATE FUTURE DISCUSSION. OVER EC OPPOSITION TABULATION WAS AGREED AND DISTRIBUTED AT END OF MEETING. SAME TABULATION BEING SENT TO AGRICULTURE GROUP IN ACCORDANCE TNC CHAIRMAN SUMMING UP FEBRUARY 14, ALTHOUGH AGRICULTURAL DATA NOT STATED SEPARATELY.

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6. BASE YEAR OR YEARS FOR COLLECTION OF STATISTICS:
GROUP AGREED SECRETARIAT WOULD USE 1970-72 FOR REFERENCE PERIOD IN MAKING COMPARATIVE TABULATIONS. 1972 DATA WILL BE AVAILABLE IN JUNE. DATA FOR 1973 WOULD BE ADDED TO DATA BASE WHEN AVAILABLE (IN SPRING 1976). AGREEMENT WAS REACHED AFTER CONSENSUS THAT DECISION NOT RELATED TO QUESTION OF BASIS FOR MEASUREMENT OF RECIPROCITY; FOR SPECIFIC NEGOTIATING PURPOSES OTHER DATA COULD BE USED.

7. UNIT OF ACCOUNT: EC IN LONG ABSTRUSE STATEMENT AGAIN PROPOSED NEW UNIT OF REFERENCE BASED ON OLD SDR RELATED TO CENTRAL RATES IN MONETARY "SNAKE" FOR PURPOSE OF ESTABLISHING FIGURES FOR BASIS OF COMPARISON OF TRADE FLOWS. CITED FLUCTUATIONS IN DOLLAR AND NEW SDR BASKET AS REASON FOR CHANGE FROM DOLLAR. EC PROMISED PAPER DESCRIBING PROPOSAL MORE FULLY (PAPER NOT DELIVERED BY END OF MEETING) BUT TWO TABLES CIRCULATED WHICH FURTHER CONFUSED MATTERS. U.S. QUESTIONED USE OF CENTRAL RATES AS ANY SOLUTION TO DATA VARIABILITY. CONVERSIONS SUGGESTED BY EC WOULD BE FICTIONAL AS OPPOSED TO ACTUAL MARKET RATES FOR CONVERSION OF TRADE FLOWS. U.S. WILLING TO STUDY EC PROPOSAL WHEN PAPER RECEIVED, THEN HAVE DISCUSSION OF POSSIBILITY OF ESTABLISHING GROUP OF TECHNICAL EXPERTS (SUGGESTED BY CHAIR BUT SEEN AS NOT NECESSARY AT THIS STAGE, BY U.S., JAPAN, AND NIGERIA). GROUP AGREED TO PUT OFF ISSUE UNTIL NEXT MEETING ALLOWING TIME TO RECEIVE AND REVIEW EC PAPER.

8. GSP AND SPECIAL AND MORE FAVORABLE TREATMENT FOR LDC EXPORTS: LONG DISCUSSION MAINLY BY REPS OF LDCS (PARTICULARLY MEXICO, INDIA, YUGOSLAVIA, PAKISTAN, ARGENTINA AND BRAZIL) ON LDC DEMANDS FOR MORE GENEROUS SPECIAL TREATMENT. DEMANDS INCLUDED:
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BINDING OF GSP RATES IN GATT, REDUCED RESTRICTIONS AND LIMITATIONS ON GSP IMPORTS; GREATER PRODUCT COVERAGE

UNDER GSP; LIMITATIONS ON MFN TARIFF REDUCTIONS ON GSP PRODUCTS WITH LONGER STAGING; REDUCE GSP RATES TO ZERO; DEEPER-THAN-FORMULA TARIFF REDUCTIONS ON NON-GSP ITEMS; CONSTRAINTS ON USE OF SAFEGUARD MECHANISMS FOR EXPORTS OF LDCS; AND NO EXCEPTIONS TO FORMULA CUTS ON EXPORTS OF LDCS. GREECE, TURKEY AND ISRAEL COMPLAINED ABOUT DISCRIMINATION BY SOME DONOR COUNTRIES IN GSP SYSTEMS (E.G. U.S.). DCS RESPONDED IN SYMPATHETIC BUT NONCOMMITTAL MANNER, SAYING THEY RECOGNIZE IMPORTANCE OF LDC PROBLEMS AND WILL STUDY PROPOSALS. U.S. CITED INTENTION TO AID LDCS BY IMPLEMENTING GSP LATER THIS YEAR AND MAKING SUBSTANTIAL MFN CUTS ON LDC PRODUCTS, AND NOTED PRESIDENT ON VERGE OF SENDING GSP PRODUCT LIST TO ITC FOR ITS ADVICE, PERMITTING LDCS TO TENTATIVELY ASSESS RELATIONSHIP BETWEEN MFN TARIFF CUTS AND GSP. U.S. SUGGESTED FURTHER STUDY TO IDENTIFY PRODUCTS OF INTEREST TO LDCS. EC STATED IT HAD JUST IMPROVED AND PROMISED TO EXTEND ITS GSP SCHEME UNILATERALLY AND CITED MAJOR BENEFITS OF PRESENT EC SYSTEM. EC CITED NEED FOR STUDY OF RELATIONSHIP BETWEEN TARIFF FORMULA DISCUSSION AND LDC INTEREST AND MENTIONED BENEFITS TO LDCS UNDER ITS FORMULA PROPOSAL (I.E. FLOOR ON CUTS OF LOW DUTIES REDUCES EROSION OF GSP). ARGENTINA CITING GAPS IN INFORMATION, REQUESTED INFORMATION BE MADE AVAILABLE ON NON-GSP PREFERENTIAL TARIFF RATES. EC OBJECTED THAT SUCH INFORMATION BE MADE AVAILABLE ON NON-GSP PREFERENTIAL TARIFF RATES. EC OBJECTED THAT SUCH INFORMATION WAS IRRELEVANT TO NEGOTIATIONS ON MFN RATES. AGREEMENT REACHED THAT IF ARGENTINA OR OTHER COUNTRIES WANT SUCH DATA, SECRETARIAT WILL PROVIDE INDIVIDUALLY TO REQUESTING COUNTRY. ON U.S., MEXICAN AND ARGENTINE INITIATIVE, GROUP (WITH EC FOOT-DRAGGING) URGED SECRETARIAT COMPLETE MFN/GSP TABLES (I.E. BTN CHAPTERS 1-24). EASTERN EUROPEANS WERE SILENT THROUGHOUT DISCUSSION THIS AGENDA ITEM.

9. NEXT MEETING AND AGENDA: GROUP AGREED TO MEET MAY 13 (DURING SECOND WEEK OF MTN STANDARDS GROUP MEETING) FOR ONE WEEK. AGREED AGENDA IS: (1) POSSIBLE LIMITED OFFICIAL USE

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ELEMENTS OF APPROPRIATE TARIFF NEGOTIATING FORMULA (INCLUDING TECHNICAL ELEMENTS CARRIED OVER) TAKING INTO ACCOUNT INTER ALIA LDC INTERESTS: (2) IMPROVEMENT OF GSP. AUSTRALIA (BACKED BY LDCS AND OPPOSED BY U.S. (SOFTLY), EC AND CANADA), MOTIVATED BY DESIRE FOR ADDITIONAL FORUM TO RAISE MEAT PROBLEMS, HAD PARAGRAPH ADDED STATING THAT DELS COULD RAISE IN DISCUSSIONS OF TARIFF GROUP RELATIONSHIP BETWEEN TARIFF NEGOTIATIONS AND SPECIFIC NTMS. AUSTRALIA

HAS ARGUED THAT TARIFFS COULD NOT BE NEGOTIATED WITHOUT REFERENCE TO SPECIFIC NTMS (PARTICULARLY QRS). WHILE U.S. SUPPORT MIGHT HAVE SLIGHTLY ADVANCED U.S. POSITION THAT PARTICIPANTS MAY RAISE SPECIFIC ISSUES OF INTEREST TO THEM IN FORUM OF THEIR CHOICE (THAT IS, AGRICULTURAL PRODUCTS IN ANY GROUP), U.S. DEL DID NOT BELIEVE IT WAS IN U.S. INTEREST TO HAVE TO DISCUSS COUNTERVAILING DUTIES, ANTIDUMPING, ETC., IN TARIFFS GROUP.

10. COMMENT: COMPLEXITY OF ISSUES LEFT MANY LDC AND SOME DC DELEGATIONS VERY CONFUSED; NEVERTHELESS, IT WAS FIRST OPPORTUNITY TO GET FEET WET IN NEGOTIATING FORUM. THE EC TOOK A MUCH HARDER LINE ON THE ISSUE OF AGRICULTURE THAN IT DID IN THE NTM GROUP BUT WAS NOT SUCCESSFUL IN BLOCKING OR DID NOT CHALLENGE DECISIONS BY TARIFFS GROUP WHICH COVER ALL PRODUCTS. IN SPITE OF DEMANDS BY LDCS WHICH THEY KNEW DCS COULD NOT AGREE TO, TONE OF MEETING WAS CONSTRUCTIVE AND COOPERATIVE. INFORMAL AGREEMENT AMONG DCS NOT TO ATTACK EACH OTHER'S GSP SCHEMES (OR LACK OF SCHEME IN U.S. CASE) WAS HELPFUL. PATTERSON DID SKILLFUL JOB AS CHAIRMAN AND CONCLUSIONS WERE CAREFULLY PREPARED, EVEN THOUGH PORTIONS ARE CONTENTIOUS. WOLFF

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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TARIFF BARRIERS, MEETING AGENDA, NEGOTIATIONS, COUNTERVAILING DUTIES, GENERALIZED PREFERENCES (TARIFFS)
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Copy: SINGLE
Draft Date: 25 MAR 1975
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MTNGE02066
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 07 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 APR 2003 by KelleyW0>; APPROVED <08 APR 2003 by GolinoFR>
Review Markings:

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Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: ETRD, MTN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006